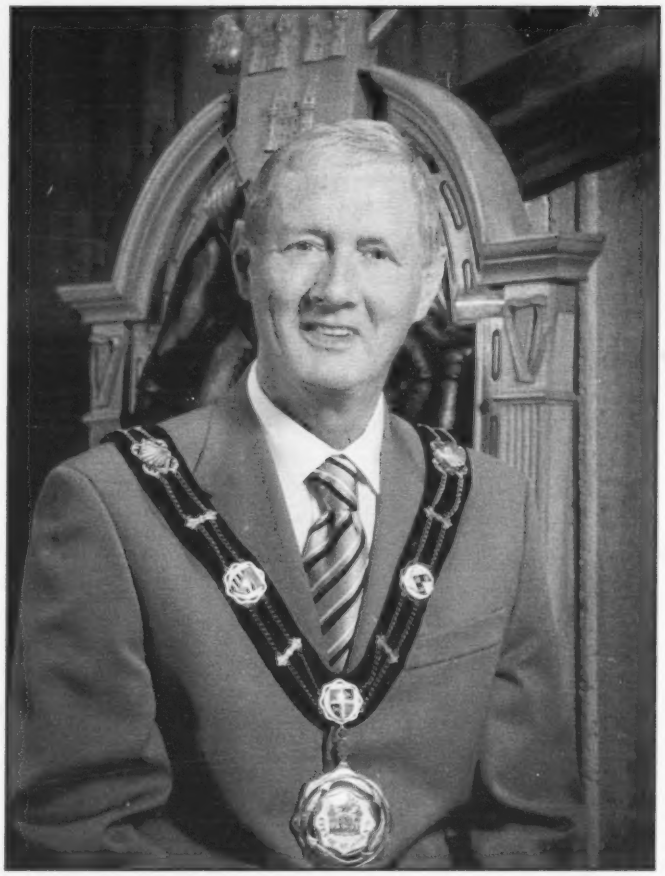
Budget 2012

Managing Growth For The Future

ST. JOHN'S

Message from the Mayor



The City of St. John's is the place to be!

We have seen tremendous economic growth and although it has been a great benefit to the City, it has also placed increased pressure upon us to provide infrastructure and services to our constantly growing City.

The budget you are about to read has been in the works for the past year and I would like to take this opportunity to thank City Council and staff for all of their efforts to ensure we were able to meet our budgetary goals.

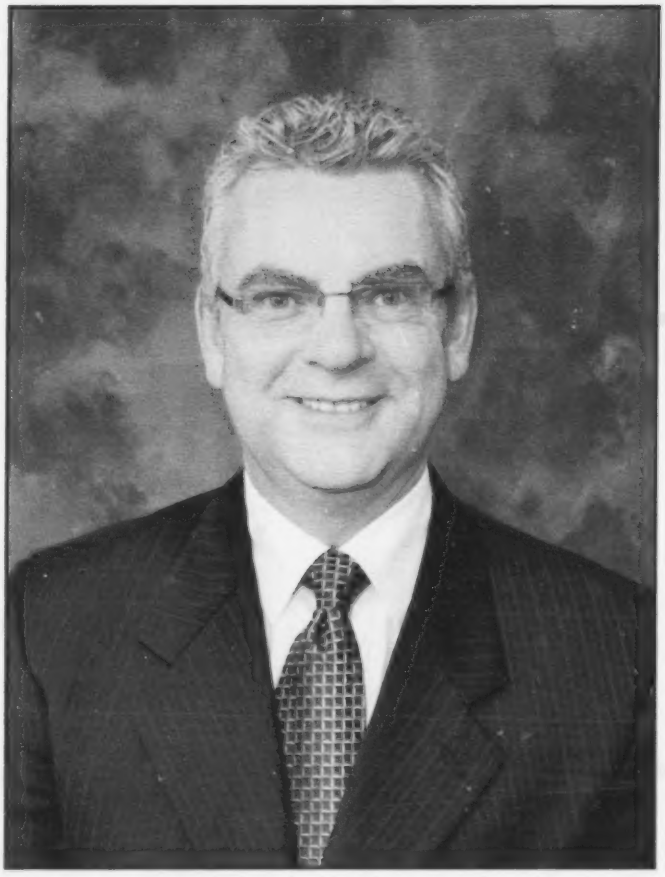
City Council had two goals with this budget: Ensure we kept costs under control and maintained our service levels. I am pleased to say that we have achieved both of our goals for the 2012 budget. The upcoming fiscal year is the final year of our assessment period. The 2012 budget is fiscally prudent, with no cuts to services and even provides enhancements in some areas. The fact that we were able to accomplish all of this is a testament to the hard work of everyone who has been involved in this process.

Sincerely,

Dennis O'Keefe

Dennis O'Keefe
Mayor
City of St. John's

Message from the Finance Chair



This is a budget based on sound fiscal management and I believe we have struck a balance between the economic growth we have been experiencing and the challenges this growth has presented in terms of infrastructure and services.

Going into the budgetary process this year we examined every area to determine what efficiencies could be found to keep our tax rates from rising, without making cuts to the important services we provide to residents like water, wastewater, waste management, parks, streets, recreation and cultural programs.

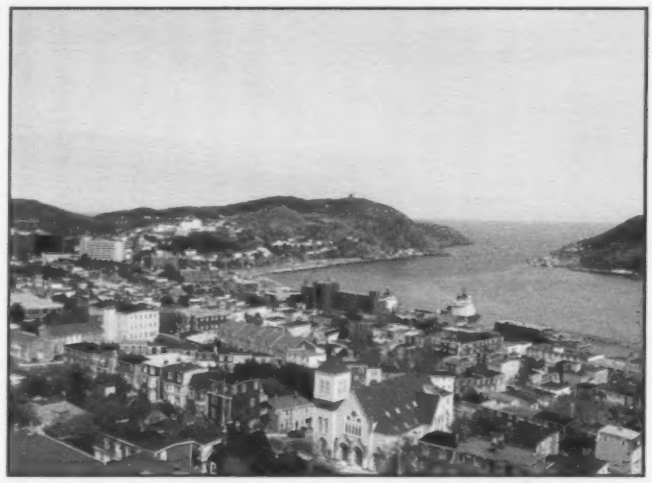
You will also note throughout the budget that we continue to refer to our fiscal relationship with the province. We are proud to be the capital city of our province, but for our residents this has come with significant costs. We believe it is time to develop a new fiscal relationship with the province that properly reflects its use of municipal facilities and services and this is something we will be working towards over the next year.

Sincerely,

Danny Breen
Chair, Finance and Administration Standing Committee
City of St. John's

INTRODUCTION

The City of St. John's is experiencing a period of unprecedented economic growth. Housing starts have averaged over 600 homes per annum over the past five years. Commercial development has grown by $424 million over the same period. Total building permits issued by the City in the past six years is an impressive $1.8 billion. The unemployment rate stands at approximately 7.7 per cent.



The City of St. John's has seen unprecedented growth in recent years and the City has certainly benefited from the increased economic activity, but growth has also brought its own set of unique challenges.

The City has certainly benefited from this heightened economic activity. Residential realty, business realty and business occupancy tax revenue has grown from $105.6 million in 2008 to a projected $126.9 million in 2012 – an increase of $21.3 million or 20.2 per cent over the past five (5) years. Revenues from all sources have increased by 36.8 per cent or $63.3 million over the same period.

But, the cost of running the City has also increased:

- New housing starts and new commercial developments mean new streets which require maintenance, snow clearing, garbage collection and other services.
- Enhanced drinking water standards require multi-million dollar investments including: $47 million at Bay Bulls Big Pond; $40 million at Winsor Lake and $50.6 million at Petty Harbour Long Pond.

- Our responsibility to the environment demands enhanced treatment at the new Riverhead Wastewater Treatment Facility at a cost of $178 million, and improved solid waste management at Robin Hood Bay Waste Management Facility at a cost of $56 million.
- Investments in parks, recreation, and cultural infrastructure are required to preserve our unique identity and promote healthy lifestyles.
- To support our continuing economic growth, expansion of infrastructure such as the St. John's Convention Centre at a cost of $45 million and downtown parking expansion at a cost to the City of $8.5 million is critical.

St. John's has a reputation to uphold as the capital city of a province known for the riotous colour palettes of our homes, our ability to find the humour in anything and our unique culture and heritage that is at the core of who we are as a people. The Conference Board of Canada has named St. John's one of the six best City's in the country in which to live, which came as no surprise to those of us who call St. John's home. We are more than a centre of commerce, we are the custodians of the oldest and richest cultural heritage in North America and City Council is dedicated to protecting the balance between growth, culture and heritage.

The unique colour palette residents in downtown St. John's have chosen to paint their houses with is reflective of the unique culture and heritage we must work to protect.

2011 BUDGET UPDATE

Gross expenditures for 2011 are projected to be approximately $300,000 under budget at about $223.9 million.

Revenue for 2011 is currently projected at $227.3 million, compared to the original budget of $224.2 million. The City is therefore projecting a modest surplus of approximately $3.4 million for 2011.

Economic growth has been strengthening the City's revenue base, but at the same time expenditure pressure has also been mounting. City Council has proven to be a prudent custodian of your tax dollars. Budgets are balanced and the City's credit rating is set at Aa2 – the same level as our provincial government. This very favourable credit rating allows the City to borrow for infrastructure at its lowest rate ever. The resulting savings to the taxpayers in reduced interest costs is estimated at $175,000 per year for the next 20 years.

"CITY COUNCIL HAS PROVEN TO BE A PRUDENT CUSTODIAN OF YOUR TAX DOLLARS. BUDGETS ARE BALANCED AND THE CITY'S CREDIT RATING IS VERY FAVOURABLE"

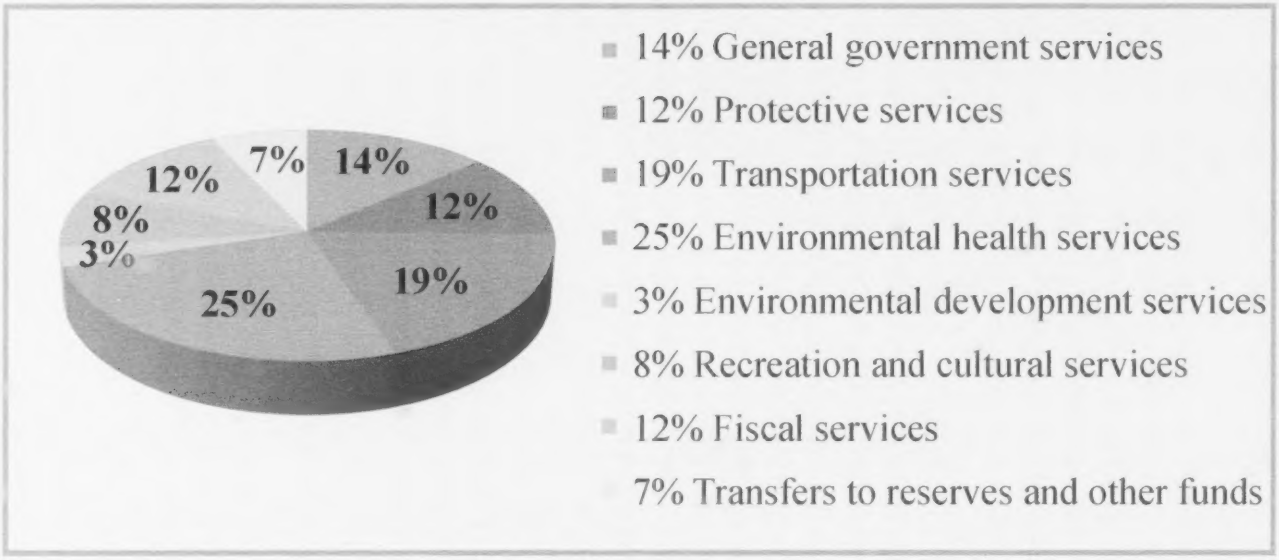
And while there does not appear to be any end in sight to the current economic boom, we all recognize the current level of growth cannot be sustained indefinitely. We must therefore continue to be prudent and vigilant in managing our City's finances.

2012 EXPENDITURE FORECAST

The City has made concerted efforts to minimize the growth of our budget, while ensuring the City maintains its service levels. Over the past year each City department has focused on developing more efficient processes and finding ways to trim the budget. As a result, gross expenditures are budgeted at $236 million for 2012, representing a net effective expenditure growth rate of 4.3 per cent over 2011, excluding the delivery of regional services. The expenditure growth rate last year was 8.9 per cent.

	Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
Functional Service			
General Government Services	$30,630,217	$30,168,513	31,907,108
Protective Services	26,800,174	26,758,296	27,724,489
Transportation Services	42,459,623	42,366,437	45,829,751
Environmental Health Services	53,924,257	51,799,656	59,841,231
Environmental Development Services	5,747,005	5,801,377	6,241,710
Recreation and Culture Services	18,894,365	18,581,241	19,221,643
Fiscal Services	29,503,883	28,662,061	28,362,544
Transfers to Reserves and Other Funds	16,268,058	19,775,555	16,549,101
Total Gross Expenditure	**$224,227,582**	**$223,913,138**	**$235,677,577**
Less:			
Due From Municipal and Other Partners	17,360,391	17,360,391	20,152,128
Total Net Expenditure	206,867,191	206,552,747	215,525,449

No reduction in existing programs and services is anticipated in Budget 2012. Maintaining delivery of basic municipal services will continue to account for the lion's share of spending. Water treatment, waste management, public transit, fire protection and debt servicing alone will cost $84.9 million.



2012 Taxation

Despite the fact that the City has seen tremendous economic growth in recent years, City Council is very aware of the fact that many of our residents still struggle to make ends meet. At the same time we know that residents expect improved services and expanded programs. We feel we have struck a balance this year between maintaining service levels, and even improving levels in many areas, with prudent fiscal management.

At this point in 2010, as we looked ahead to our 2012 fiscal year, many did not think we would be able to balance our budget without a tax increase. The City is pleased to announce that 2012 tax rates will remain at 2011 levels for residential property tax, business property tax and the business occupancy tax. We will also continue to provide a 25 per cent discounted rate for Seniors in our community who meet the criteria.

SERVICES

Service levels across most program areas will be maintained at 2011 standards, however certain programs will see improvements in the quality of service. City Council has a responsibility to enhance service levels, where necessary, to maintain our position as a growing and vibrant metropolitan area.

Public transit will be significantly enhanced. Metrobus will move into its new terminal in 2012 constructed at a cost of $34.2 million, of which $25.5 million came from the federal government, with the City contributing the remainder. Metrobus also plans to purchase 30 new buses at a total cost of $14 million, with the first nine scheduled to arrive in 2012. The City's public transit subsidy for Metrobus will be $10.5 million in 2012.

Metrobus Transit
Get on. Be moved.

Para-transit services will also see the introduction of 18 new buses in 2012 under a new service provider. The cost of providing para-transit service will, as a result, increase from $1.43 million to $1.85 million – an increase of close to 30 per cent.

GOBUS
Accessible Transit

Many users of our public transit systems, as well as pedestrians generally, rely on safe, clear sidewalks. In fact, sidewalk snow clearing was the dominant issue at the public budget consultation session held in November. As a result, Council will substantially increase its investment in sidewalk snowclearing and ice control. We will invest $250,000 for crews and supplies and an additional $450,000 for three new sidewalk plows.

The kilometers of sidewalk cleaned will also be increased, particularly in high pedestrian traffic areas. The cost of snow and ice control on 1,100 kilometres of City street is estimated at $15 million in 2012. Council will also continue its program of concrete sidewalk repair and replacement of asphalt sidewalks with concrete.

The City has 1,100 kilometres of street to clear after each snow storm in the City.

"THE SAFETY OF OUR CHILDREN MUST BE A SHARED RESPONSIBILITY AND WE LOOK FORWARD TO A NEW PARTNERSHIP IN 2012."

Provision is also made in the budget for the full year cost, approximately $128,000, for the crossing guard program. The City is, however, more than disappointed that neither the Provincial Government nor the Eastern School District have stepped up to assist the City with this program. The safety of our children must be a shared responsibility and we look forward to a new partnership in 2012.

Fire protection is an essential public service, and as the City grows so must the capacity of the St. John's Regional Fire Department. For 2012, the budget includes $200,000 to undertake design of a new fire station in the west end of the City. Construction should be completed by 2013 at a cost of approximately $3.5 million. Tenders will also be called in 2012 for the acquisition of two new pumpers for delivery in 2013 at a cost of $760,000. These investments will strengthen the Fire Department's capacity to protect homes and businesses in the region.

A direct result of improved fire suppression capacity is a reduction in fire insurance premiums for residential and business properties, as the Underwriters Association of Canada has given St. John's very high ratings in this area.

The City meets its obligation to promote a healthy lifestyle for its residents and visitors by providing over 200 parks, ballfields, playgrounds and recreational facilities. Utilization of our facilities and participation in our many programs exceeds 400,000 visitations per year.

Ensuring the City has appropriate recreational infrastructure is an important part of the City's mandate. The accessible playground in Bowring Park ensures that our parks and playgrounds are open to all residents.

Redevelopment or replacement of the Mews Centre and the Wedgewood Park Community Centre will be given serious consideration in the 2012 capital budget. Consideration will also be given to construction of a new multi-purpose wellness centre. The cost of these initiatives is currently estimated at over $100 million, and cost-sharing arrangements with the federal and/or provincial governments will likely be a determining factor.

The new Quidi Vidi Arts Centre will officially open in 2012. This facility is being constructed at a cost of $2.2 million and will provide artists with a venue to display their talents. A study will also be undertaken in 2012 on the feasibility of constructing a performing arts centre. These initiatives are part of our ongoing commitment to the arts community, which contributes so much to the vibrancy and cultural richness of our City.

The Bowring Park Foundation has done a spectacular job of revitalizing this gem in the west end of our City. The Bannerman Park Foundation has now taken on the task of breathing new life into this historic public space. Council has allocated $500,000 as an initial installment within its Park Development Reserve to match funds raised by the Foundation for projects at Bannerman Park. Council's total commitment to the revitalization of Bannerman Park is estimated at $3 million over the next several years.

The Bannerman Park Foundation's first project in the revitalization of the park is the creation of a 'Garden of Memories' with a water feature.

The City of St. John's will add to its stock of low income housing units in 2012. The City currently owns and maintains 426 housing units with an additional 23 units constructed in 2012 in partnership with the federal government and the Newfoundland and Labrador Housing Corporation. The fact that the City must pay HST to the provincial government on low income housing expenditures highlights the inequity in our current provincial-municipal fiscal relationship. The City is asking the province for a full rebate of all HST paid on this housing project.

We will also continue to support volunteer and non-profit organizations in our community. These groups provide recreation activities for our youth and seniors, support for the arts, environmental stewardship and other important services. It would be difficult to assign a dollar value to the work done by these organizations, but it would certainly be in the millions of dollars. The City will continue its support for these groups in 2012 by providing grants totaling over $1,250,000.

BOARDS AND AGENCIES

Destination St. John's performs a key role in advancing economic development in the City. Since its inception in 1999 Destination St. John's has been instrumental in attracting conferences and conventions to the City. In 2010 alone, the economic impact of accommodation spending reached almost $77 million, including $5.5 million from the convention market. According to studies conducted by Destination St. John's, this level of accommodation expenditure translates into an additional $110 million in economic benefits in terms of meals, taxis, shopping, and much more for our local business community. Through tax revenue generated by the Tourism Room Levy, Destination St. John's will receive an estimated $925,000 in financial support in 2012 to continue its important work.

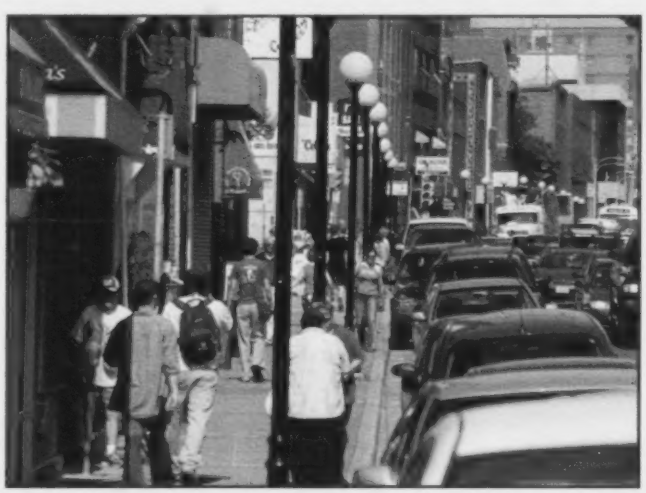
The City of St. John's and the local business community benefit greatly from the economic impact felt by tourism and conventions. As an example, in 2010 alone, the economic impact of accommodation spending reached almost $77 million.

St. John's Sports & Entertainment Ltd. operates both Mile One Centre and the St. John's Convention Centre on behalf of the City. The Corporation has been successful in reducing its operating losses in recent years, to the point that the subsidy provided by the City was $1,250,000 in 2011, compared to $2 million in 2008. The Ice Caps have created additional revenue generating opportunities, which will allow the City to reduce the 2012 subsidy to $1 million and we look forward to reducing the subsidy even further in coming years.

Expansion of the Convention Centre, at an estimated cost of $45 million, will get underway in 2012. The City has partnered with both the federal and provincial governments to undertake this ambitious project which will see the facility virtually double in size. Upon completion in 2016, it will have the capacity to host much larger conventions and events, which the City is currently turning away. The entire region, and certainly the province, will benefit from this expanded facility.

Expansion of the Convention Center, together with a number of major hotel and office complex developments, will provide a significant boost to the downtown area.

Additional public parking will be required to support this continuing economic growth. City Council has partnered with the developers of two downtown projects to create approximately 500 new public indoor parking spaces. The City will contribute $8.5 million towards the capital cost of these new spaces, which will become payable only after construction is complete and the spaces are open to the public. Had the City attempted to construct 500 parking spaces on its own, without a private sector partner, the capital cost to the City would have been in the order of approximately $20 million. This is a good example of how the City can work with the private sector for the benefit of all our citizens.



Parking in downtown remains an issue, but City Council is working with the private sector to create an additional 500 public parking spaces.

REGIONAL SERVICE DELIVERY

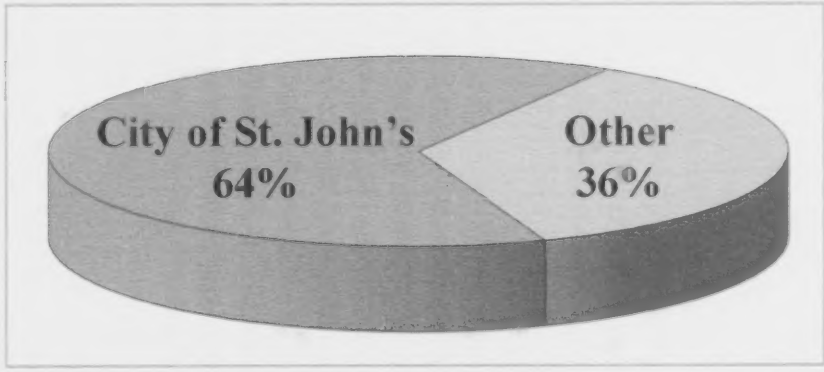
St. John's partners with other municipalities in the region for the delivery of essential public services including drinking water, wastewater treatment, solid waste management and fire protection. The total cost of delivering these services in 2012 is estimated at $56.2 million. St. John's will contribute $36.0 million or 64 per cent of the total costs in 2012.

Expenditures for Regional Services

Total Expenditure:	**2011**	**2012**
Regional Fire	$24,562,621	$25,546,890
Regional Water	7,277,643	7,996,518
Regional Wastewater Treatment	9,354,626	10,246,553
Eastern Region Waste Management	9,934,764	12,385,112
	51,129,654	**56,175,073**
Less:		
Municipal and Other Partner Contributions	17,360,391	20,152,128
City of St. John's Net Cost	33,769,263	36,022,945

The cost of providing these vital public services has increased by almost 10 per cent, or $5 million, due primarily to:

- Salary and benefit related costs;



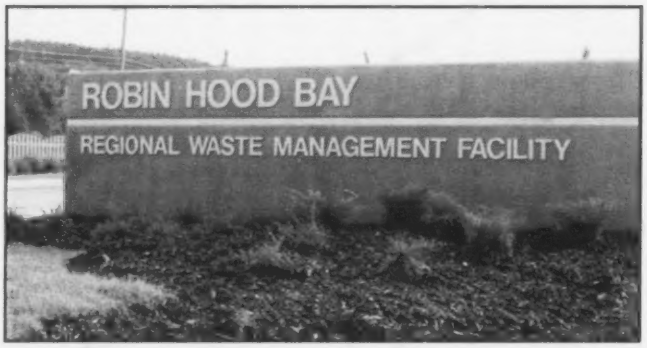
- Increased debt borrowing to fund the enhancement of water treatment technology at Bay Bulls Big Pond and Petty Harbour Long Pond;
- Expanded infrastructure for Eastern Waste Management to accommodate landfill access for communities east of Clarenville.

In order to address increasing water and wastewater treatment costs, residential water tax will increase from $580 to $615 per year, while commercial users will see a comparative increase of 6 per cent. Water and wastewater treatment operate on a cost recovery basis. Tax rates are only increased when necessary to recover the increased cost of providing the service.

The Riverhead Wastewater Treatment Facility is a regional facility serving St. John's, Mount Pearl and Paradise, but is operated by the City of St. John's.

The City of St. John's continues to own and operate the Regional Robin Hood Bay Waste Management Facility, which has been designated by the province as the solid waste management site for the entire Avalon Peninsula, and possibly the Burin and Bonavista Peninsulas as well. Eastern Waste Management is a Regional Services Board which has been set up to oversee the elimination of many small landfill sites and incinerators throughout this area as well as to coordinate the consolidation and transport of waste to Robin Hood Bay. The operating costs of Eastern Waste Management, as well as transport costs and the management of a variety of Waste Recovery Facilities and Transfer Stations, are recovered through the tipping fees paid for garbage and recyclables disposed of at the facility. Therefore, both the operating costs for solid waste disposal on the Avalon Peninsula, and the revenue

to cover these costs, are reflected in the City's budget. These costs have increased by $2.5 million for 2012 as a result of the waste recovery facilities opening around the Avalon region in 2011 and into 2012. Despite increasing costs at the Robin Hood Bay Landfill a surplus from 2011 has allowed tipping fees to remain the same in 2012.



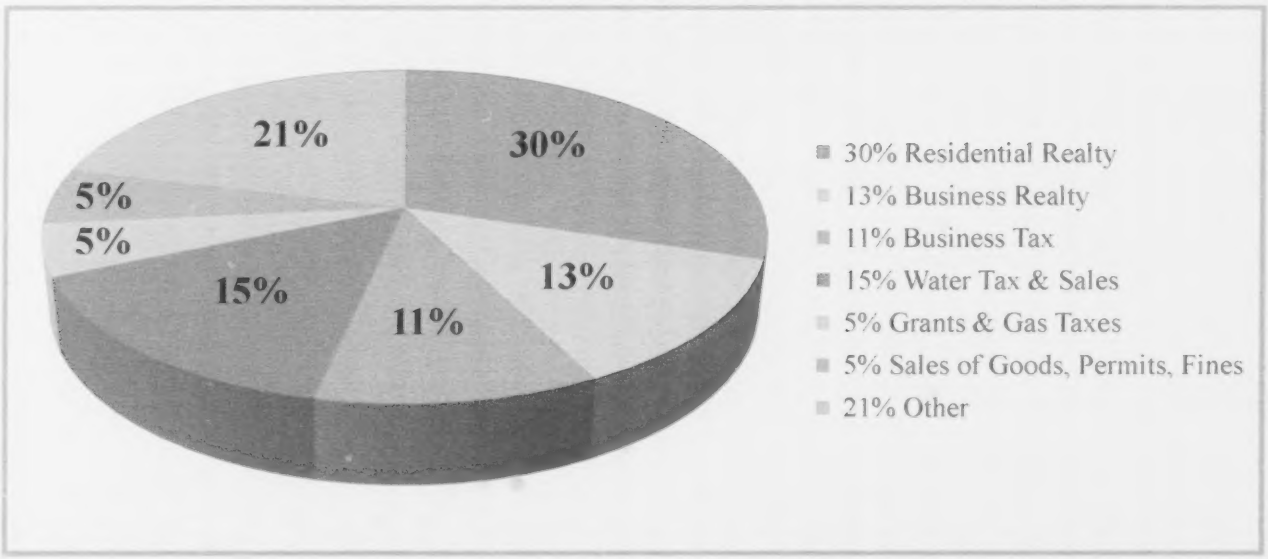
The Robin Hood Waste Management Facility is a regional facility used by the entire Avalon Peninsula, but operated by the City of St. John's.

The regional service delivery model has proven effective in providing important services to residents and businesses. The City of St. John's believes that regional service delivery can be expanded to other services as well, such as public transit and recreation infrastructure developments. It is unfortunate that some municipalities in the region are currently engaged in studies towards establishing their own public transit, fire protection and recreation infrastructure.

REVENUE FORECAST

The City's primary source of revenue is property taxes, which will account for 54 per cent of revenue in 2012. Residential realty accounts for $70.6 million, while businesses contribute $55.2 million through a combination of realty and occupancy taxes. Water tax adds $35.6 million and tipping fees will generate $10.3 million towards the City's overall revenue.

Total revenue is forecast to grow by 3.68 per cent to $236 million in 2012, compared to a revised projection of $227.3 million in 2011.



Revenue highlights for 2012 include:

- There will be no increase in the residential property tax rate.
- There will be no increase in the business property tax rate.
- There will be no increase in the business occupancy tax rate.
- The Water Tax will increase, as indicated earlier. The Water Tax is set at the level necessary to cover all costs associated with water and wastewater treatment, which have increased for 2012.
- A $15 transaction fee will be imposed on financial institutions to recover costs incurred by the City in managing property tax payments made on behalf of residents by financial institutions. This process is exceedingly time consuming for the City and financial institutions should share the cost burden. This measure will generate additional revenues of $500,000.
- Building permit fees will be adjusted to generate an additional $660,000 towards offsetting the costs incurred by the City for building inspections.
- The Municipal Operating Grant (MOG) from the Province will remain the same as received in 2011 at $3.4 million. The City is proposing that the province review its use of the MOG and instead provide the City a payment-in-lieu-of-tax at 75 per cent of the commercial rate, which would better reflect the province's use of municipal services.

- The majority of other revenue sources are expected to remain relatively stable in 2012 compared to 2011 figures.

The City's reliance on property based taxes as the primary source of revenue remains a matter of continuing concern. Residential and commercial property values will eventually peak, and may in fact decline in negative economic circumstances. Similarly, the current rate of expansion in commercial property and new housing starts cannot be sustained indefinitely. Alternative sources of municipal revenue must therefore be identified.

The City has proposed a new fiscal relationship with the province which, if accepted, would relieve at least some of the pressure on the property tax base. Key aspects of that new relationship include:

- The province should relieve municipalities of the obligation to pay HST, similar to the tax relief provided by the federal government.
- The province should pay municipalities a grant-in-lieu of tax to provide reasonable compensation for its use of municipal services and infrastructure.
- The province should allocate two cents of the existing gas tax to municipalities to support infrastructure development, similar to the federal government initiative.
- The province should respect municipal development authority by paying for building permits and complying with development regulations, in the same manner as the federal government and other developers.

"THE CITY HAS PROPOSED A NEW FISCAL RELATIONSHIP WITH THE PROVINCE WHICH, IF ACCEPTED, WOULD RELIEVE AT LEAST SOME OF THE PRESSURE ON THE PROPERTY TAX BASE."

The City was encouraged by the commitment in the 2011 provincial budget to undertake a review of the current Provincial-Municipal fiscal relationship. We hope the Province is serious about this commitment and will move forward on this issue sooner rather than later.

2012 CAPITAL PROGRAM

Keeping pace with infrastructure demands is, and always will be, a constant challenge. Existing City infrastructure is aging, and in need of remediation or replacement. Water and sewer lines are breaking and City streets are in need of continuous repair. Pools and other recreational facilities are nearing the end of their life cycle. At the same time there are demands for new infrastructure for water treatment, recreation, arts and culture, etc.

Infrastructure, such as retaining walls, are in constant need of replacement and repair. Keeping pace with the level of infrastructure is a constant challenge for the City.

The City's capacity to address infrastructure demands is limited and priorities must be established. Infrastructure priorities are funded through a combination of City general revenues, City borrowing and cost-sharing with our federal and provincial governments. The benefits of cost-sharing should not be underestimated. Since 2008 the City has committed $50.7 million of its own money, which has leveraged $70 million from the federal and provincial governments.

Budget 2012 provides for a $15.5 million contribution from general revenue towards capital priorities such as:

- $3 million for renewal of the heavy equipment fleet
- $3.1 million for water and sewer related projects
- $9.4 million for various projects such as streets rehabilitation, sidewalks, etc.

The City borrowed $70 million in 2011 for infrastructure development and will borrow a further $58 million in 2012 to complete already approved projects.

"THE TOTAL CAPITAL PROGRAM FOR 2012 IS ESTIMATED AT OVER $93 MILLION."

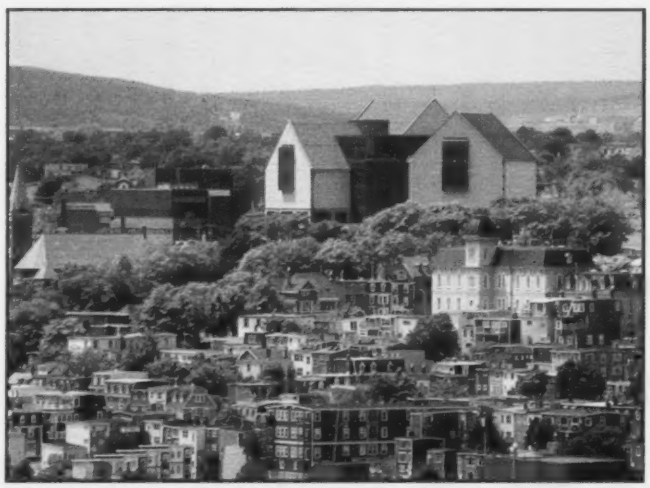
When combined with Provincial and Federal contributions, through various cost-shared arrangements, the total capital program for 2012 is estimated at over $93 million. Upon completion of all ongoing projects, the total investment in City infrastructure will have exceeded $400 million.

Project	2012 Cost	Final Estimated Cost
Petty Harbour Water Treatment	25,400,000	50,600,000
Capital from City Operating Budget	19,000,000	19,000,000
Bay Bulls Big Pond	16,800,000	47,500,000
Convention Centre	10,000,000	45,000,000
St. John's Transportation Depot	7,000,000	32,400,000
Pleasantville Housing Project	7,000,000	7,000,000
Metrobus Fleet	3,600,000	14,000,000
Wastewater Treatment Facility	2,500,000	178,000,000
West End Fire Station	1,000,000	3,500,000
Non Profit Housing projects	940,000	1,400,000
Downtown Parking Expansion	-	8,500,000
Total Net Expenditure	$93,240,000	$406,900,000

The City does rely heavily on partnerships with the federal and provincial governments to undertake many of our major capital projects. The federal and provincial contributions to water and wastewater treatment, as well as solid waste management and other projects, have been significant. Without Federal/ Provincial financial assistance, property and water taxes would have to be increased accordingly. We are extremely appreciative of their support to date, and look forward to continuing the partnership. We encourage the provincial government to renew its commitment to multi-year capital works funding, which it moved away from in its 2011 budget. We also encourage the Federal Government to initiate a dialogue towards a follow-up program to Building Canada.

BEYOND 2012

The foreseeable future certainly looks bright, but it is not without its challenges. Housing starts are expected to remain strong and a number of new major commercial developments will drive construction throughout the City. The Water Street/Gower Street West area will be especially busy with the potential for five major projects underway simultaneously. The City's property tax base should therefore continue to show consistent growth. New property reassessments will become effective in 2013 and will further increase the value of the property tax base.



In 2013, new property reassessments will become effective. At that time the City will move to a three-year budget cycle which will allow for strategic long-term planning.

Coinciding with the 2013 property reassessments, the City will move towards a three-year budget cycle. This move will synchronize the budget cycle with the property assessment cycle and permit more effective budget planning. The City also plans to blend the business occupancy tax with the business realty tax in 2013, subject to provincial government approval. This blending initiative will be revenue neutral, but will simplify the tax process for both City Hall and local businesses.

The City also anticipates provincial government approval for an amendment to the St. John's Urban Region Regional Plan which will permit development above the 190 meter contour. When approved, thousands of acres of new land will open for commercial and residential development. There is enough land above the 190 meter contour to sustain development for 15 to 20 years and contribute billions of dollars to the economy. This potentially represents a major expansion to the City's tax base.

On the expenditure side, operating costs will continue to increase as new neighbourhoods are constructed. Each kilometer of new street increases the costs associated with snow clearing and waste collection effort. Operating expenses will also be impacted by new infrastructure which will become operational in the next few years including:

- The enhanced water treatment facility at Bay Bulls Big Pond will be fully operational in the second quarter of 2012 and increase annual operating costs by $500,000.

The Petty Harbour Long Pond Water Treatment Plant will come on stream in the fall of 2013.

- The new Petty Harbour Long Pond Water Treatment Plant will come on stream in the fall of 2013 and increase annual operating costs by $1.3 million.
- The City of St. John's will assume responsibility for the Team Gushue Highway Extension upon completion in 2014. While this transportation link will benefit the entire region, St. John's will be covering the full annual maintenance cost approximated at $900,000. The City believes that some mechanism should be found to require other municipalities in the area, such as Mount Pearl who is a primary beneficiary, to contribute to the cost of maintaining this important regional transportation link.

The recently released "Roadmap 2021 – A Strategic Economic Plan for St. John's" outlines initiatives to strengthen the local economy and position the City to meet coming challenges. By 2013, a review of the St. John's Municipal Plan and Development Regulations will also be complete and will establish a vision for how our city should develop over the next decade. We will also examine ways to broaden access to our budget consultation process for 2013.

City Council will continue to exercise fiscal prudence in meeting our fiscal challenges. We must also be mindful not to allow economic prosperity to override a firm desire to maintain and nurture the unique culture and heritage of our beautiful City. We will have the best of both worlds, an economy which encourages young people to work, live and raise their families here, and at the same time nurture our culture and heritage.

Thank you.

APPENDIX 1: EXPENDITURE BY FUNCTION 2011-2012

City of St. John's Expenditure Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
GENERAL GOVERNMENT:			
GENERAL ADMINISTRATIVE:			
1111 MAYOR & COUNCILLORS	$640,156	621,405	649,208
1112 MAYOR'S OFFICE	$91,391	94,603	13,180
1115 PUBLIC RECEPT. & EVENTS	$186,721	166,325	174,353
2531 EMERGENCY CONTROL	$14,273	7,252	98,910
1212 ADMIN-ADMIN.SERVICES	$735,605	703,897	733,656
1213 HUMAN RESOURCES	$315,482	282,232	325,373
1214 BENEFITS ADMINISTRATION	$180,367	181,800	189,408
1215 CITY SOLICITOR	$304,980	429,429	312,586
1216 EMPLOYEE WELLNESS	$743,916	715,734	784,198
1217 EMPLOYEE DEVELOPMENT	$619,187	595,527	628,785
1218 EMPLOYEE RELATIONS	$566,185	526,329	608,380
1219 569 HR ADMINISTRATION	$687,704	685,333	684,052
1220 LEGAL SERVICES	$709,755	694,026	888,865
1221 ADMIN. FINANCE	$520,975	562,588	475,997
1222 FINANCIAL SERVICES	$1,180,411	1,189,812	1,252,982
1223 BUDGETARY SERVICES	$197,143	203,181	301,816
1224 ASSET REPORTING	$134,247	110,916	134,763
1231 ASSESSMENT	$1,232,874	1,231,079	1,302,217
1241 REVENUE ACCOUNTING	$1,097,696	1,037,795	1,133,914
1250 PROPERTY MANAGEMENT	$476,227	507,040	659,164
1251 OFFICE SERVICES	$968,672	928,242	968,750
1252 MTCE.CITY HALL	$562,360	525,524	625,551
1253 ELECTRICAL MTCE.	$587,193	545,290	613,290
1254 MTCE. CITY HALL ANNEX	$184,532	160,878	201,325
1256 MTCE. OF FIRE DEPT	$291,922	267,673	325,626
1257 MTCE CN STATION	$182,580	178,233	199,020
1259 MTCE. CONWAY BLDG.	$30,160	32,099	54,660
1261 PURCHASING	$559,775	587,277	570,663
1262 STORES/INVENTORY	$720,121	717,078	747,544
1268 ADMIN. CORPORATE SERVICES	$298,111	282,739	297,848
1269 INTERNAL AUDIT	$234,367	221,103	247,146
1270 CORPORATE COMMUNICATIONS	$128,813	97,562	107,707
1272 END USER SUPPORT	$3,702,846	3,685,432	3,695,825
1274 SERVICE CENTRE	$1,522,952	1,503,050	1,581,542
	20,609,699	20,278,483	21,588,304
PENSIONS & BENEFITS:			
1290 PENSIONS	$798,560	947,910	1,175,760
1297 LUMPSUM SICK LEAVE	$700,000	675,695	700,000
	1,498,560	1,623,605	1,875,760

City of St. John's Expenditure Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
ENGINEERING:			
1311 ADMIN ENG.-WORKS	$269,549	269,057	277,867
1313 DEVELOPMENT CONTROL	$1,042,954	1,033,306	947,796
1314 SURVEYING	$564,535	539,290	575,134
1315 TRAFFIC & TRANSPORTATION	$1,477,557	1,470,026	1,539,049
1316 STENO-CLERICAL	$363,087	359,963	313,825
1317 ENVIRON. INITIATIVES	$0	914	0
1318 ENGINEERING INFORMATION SERVICES	$799,376	767,250	1,061,650
1319 CONSTRUCTION	$897,755	853,306	920,794
	5,414,813	5,293,112	5,636,115
OTHER GENERAL GOVERNMENT:			
1931 LIABILITY INSURANCE	$689,145	688,675	688,929
1995 MUNICIPAL ELECTIONS	$0	10,232	0
	689,145	698,907	688,929
TOTAL GENERAL GOV'T	**28,212,217**	**27,894,107**	**29,789,108**
PROTECTIVE SERVICES:			
FIRE & TRAFFIC:			
2141 PARKING ENFORCEMENT	$2,498,529	2,498,272	2,322,456
2142 CROSSING GUARD PROGRAM	$74,927	34,381	128,620
2491 FIRE PROTECTION	$18,999,630	19,243,904	19,799,945
2498 EAST END STORAGE BLDG.	$479,347	425,833	504,729
	22,052,433	22,202,390	22,755,750
PROTECTIVE INSPECTIONS:			
2921 ADMIN. BUILD. & DEV	$287,702	288,840	298,108
2922 BLDG. INSPECTION	$635,381	590,725	634,585
2923 ELECT. INSPECTION	$634,028	609,206	686,283
2924 PLUMB. INSPECTION	$238,140	221,591	276,226
2925 STENO-CLERICAL.	$316,373	313,189	327,798
2926 WATER METER/PLUMBING MTCE.	$84,268	80,088	83,358
2927 MINIUMN STANDARDS	$1,318,241	1,274,957	1,380,195
2929 TAXI INSPECTIONS	$194,349	181,007	199,775
	3,708,482	3,559,603	3,886,328
OTHER PROTECTIVE SERVICES:			
2931 ANIMAL & PEST CONTROL	$966,421	925,998	1,000,693
2932 ANIMAL CONTROL FACILITY	$72,838	70,305	81,718
	1,039,259	996,303	1,082,411
TOTAL PROTECTIVE SERVICES	**26,800,174**	**26,758,296**	**27,724,489**

City of St. John's Expenditure Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
TRANSPORTATION SERVICES:			
STREETS DEPARTMENT:			
3011 ADMIN. PUBLIC WORKS	$806,159	790,099	839,198
3211 ADMIN. STREETS & PARKS	$2,096,920	2,068,905	2,218,999
3221 MTCE. OF ROADS	$6,189,936	6,161,551	6,727,957
3231 SNOW CLEARING	$14,908,975	14,902,261	15,274,437
3241 WORKS DEPOT MTCE	$1,510,711	1,523,323	1,651,302
3252 TRAFFIC SIGNS & LGTS	$561,041	560,091	540,507
3253 STREET MARKINGS	$988,945	988,669	1,172,325
3262 ST. CLEANING BY HAND	$173,034	134,962	199,254
	27,235,721	27,129,861	28,623,979
OTHER TRANSPORTATION SERVICES:			
3521 PARKING METERS	$341,643	341,112	476,733
3561 STREET LIGHTING	$3,728,000	3,727,805	4,300,000
3591 SUBSIDY METROBUS	$9,727,650	9,727,650	10,500,000
3592 HANDICAPPED TRANS.	$1,426,609	1,423,362	1,852,917
	15,223,902	15,219,929	17,129,650
TOTAL TRANS. SERVICES	**42,459,623**	**42,349,790**	**45,753,629**
ENVIRONMENTAL HEALTH:			
WATER DEPARTMENT:			
4111 ADMIN. WATER	$1,991,386	2,017,584	1,996,248
4122 WATER TREATMENT	$8,981,480	8,933,746	10,192,396
4123 REGIONAL WATER SYS.	$7,277,643	6,962,660	7,996,518
4124 MTCE PVR/BOOSTER STATIONS	$438,194	376,415	439,329
4131 MTCE WATER MAINS	$8,129,765	8,005,307	8,519,930
4132 WATER METERING	$312,571	290,287	323,815
	27,131,039	26,585,999	29,468,236
SEWER DEPARTMENT:			
4225 WASTE WATER TREATMENT PLANT	$9,354,626	8,303,017	10,246,553
4226 SEWER PUMP STATIONS	$767,135	655,516	743,965
	10,121,761	8,958,533	10,990,518
SANITARY DEPARTMENT:			
4321 GARBAGE COLLECTION	$4,539,297	4,414,304	4,744,754
4322 WASTE DIVERSION PROJECT	$502,055	466,982	497,373
4323 CURBSIDE RECYCLING PROGRAM	$1,572,781	1,451,869	1,621,462
4331 GARBAGE DISPOSAL	$7,051,767	6,980,679	7,987,263
4332 BLDG MTCE ROBIN HOOD BAY	$122,560	105,081	133,775
4333 MATERIAL RECOVERY FACILITY	$1,589,210	1,577,540	1,565,280
4334 RHB RESIDENTIAL DROP OFF FACILITY	$830,787	795,669	895,739
4335 EASTERN WASTE MANAGEMENT ADMIN.	$463,000	463,000	1,936,831
	16,671,457	16,255,124	19,382,477
TOTAL ENVIRON. HEALTH	**53,924,257**	**51,799,656**	**59,841,231**

City of St. John's Expenditure Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
ENVIRONMENTAL DEVELOPMENT:			
PLANNING :			
6113 PLANNING & DEVELOPMENT	$1,055,086	1,030,819	1,056,924
6118 DOWNTOWN REVITAL.	$250,000	269,700	250,000
	1,305,086	1,300,519	1,306,924
HOUSING AND REAL ESTATE:			
6330 REAL ESTATE - LEGAL	$233,238	213,704	240,173
6341 REAL ESTATE	$16,700	2,183	16,700
6342 RENTAL HOUSING PROJECTS	$274,000	262,000	493,544
6343 AVALON VISITOR'S & CONVENTION BUREAU	$775,000	974,016	925,000
6360 NON-PROFIT HOUSING			
6391 NON-PROFIT HOUSING ADMIN	$284,814	289,671	294,037
6392 NON-PROFIT HOUSING MTCE.	$611,474	580,686	636,214
	2,195,226	2,322,260	2,605,668
TOURISM & ECONOMIC DEVELOPMENT:			
6611 PROMOTIONS ADMIN.	$867,569	864,022	865,297
6612 TOURISM DEVELOPMENT	$470,314	420,776	481,020
6613 VISITOR'S SERVICES	$128,784	112,831	127,536
6614 TOURISM INDUSTRY	$0	0	0
6616 ECONOMIC DEVELOPMENT	$255,181	252,580	256,581
6617 TOURISM RESEARCH	$0	0	
6618 SPECIAL PROJECTS	$152,699	148,593	155,309
6619 BUSINESS SERVICES	$85,764	83,987	87,013
6620 PROJECTS	$0	0	0
6624 MTCE. GENTARA BLDG.	$256,290	265,717	296,122
6625 QUIDI VIDI VISITOR CENTRE	$30,092	30,092	60,240
	2,246,693	2,178,598	2,329,118
TOTAL ENVIR DEVELOPMENT	**5,747,005**	**5,801,377**	**6,241,710**

City of St. John's Expenditure Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
RECREATION & PARKS:			
PARKS DIVISION:			
7121 MUNICIPAL PARKS	$1,904,721	1,896,317	1,848,546
7122 PASSIVE OPEN SPACE	$2,268,709	2,267,407	2,363,103
7123 ACTIVE SPORTS FAC	$516,266	514,295	529,572
7124 MTCE PLAYGROUNDS	$783,501	782,838	797,535
7125 MTCE.BUCKMASTERS REC	$80,998	56,925	93,348
7126 HORTICULTURAL MTCE.	$958,131	957,672	1,038,949
7127 MTCE.ROTARY PARK	$78,021	51,736	80,993
7130 MTCE.MEWS CENTRE	$164,100	156,328	200,580
7131 AQUATIC MTCE. PARKS	$211,911	202,449	199,056
7133 MTCE. ROTARY CHALET	$65,050	55,813	40,910
7134 MTCE. SPORTS BUILDINGS	$161,593	160,665	222,543
7135 SNOW CLEARING STEPS	$564,181	583,193	584,926
7136 MTCE. SHEA HEIGHTS COMM. CEN.	$47,200	47,540	64,110
7137 WEDGEWOOD PARK FAC.	$111,030	87,832	109,490
7138 MTCE. KILBRIDE REC. CENTRE	$55,380	48,618	60,205
7141 MTCE. ANNA TEMPLETON CENTRE	$18,880	4,152	19,000
7225 BOW. PARK BLDG MTCE.	$85,010	75,538	79,590
	8,074,682	7,949,318	8,332,456
RECREATION:			
7301 ADMINSITRATION RECREATION	$717,107	701,011	829,823
7305 CORPORATE & COMMUN. AFFAIRS	$1,242,993	1,234,490	1,328,011
7311 PROGRAM ADMIN.	$862,711	843,286	922,138
7315 RECREATION INFORMATION SERV	$127,260	104,549	112,119
7321 OPERATION SUMMER REC. PRG.	$298,724	289,344	337,805
7322 AQUATICS	$119,028	99,653	104,870
7324 PROGRAM & SERVICES ADMIN	$433,430	430,274	447,303
7325 FACILITY OPERATIONS	$562,731	559,562	554,296
7329 PROGRAM & SERVICES	$586,985	555,044	559,464
7330 GOULDS REC. SERVICES	$138,600	138,600	153,600
7331 WEDGEWOOD PARK REC.	$368,670	358,142	364,427
7332 WEDGEWOOD PARK PROGRAMS & SERVICES	$464,842	463,810	438,612
7333 SENIORS OUTREACH	$110,245	105,915	116,426
7334 BANNERMAN PARK POOL	$77,375	66,649	72,230
7335 OTHER FACILITY OPERATIONS	$122,331	125,706	144,400
7336 SHEA HEIGHTS COMM. CEN.	$170,433	171,177	177,298
7338 KILBRIDE COMMUNITY CENTRE	$183,389	169,780	186,814
7341 MINOR SOCCER PROGRAM	$940,156	936,260	900,444
	7,527,010	7,353,252	7,750,080
OTHER RECREATIONAL & CULTURAL SERVICES:			
7445 CIVIC CENTRE CORPORATION	$1,250,000	1,250,000	1,000,000
7551 GRANTS & SUBSIDIES	$1,183,000	1,236,081	1,258,000
7911 MUNICIPAL ARCHIVES	$238,723	227,738	238,490
7910 CULTURAL DEVELOPMENT	$180,102	153,862	180,519
7912 RAILWAY COASTAL MUSEUM	$440,848	410,990	462,098
	3,292,673	3,278,671	3,139,107
TOTAL RECREATION & CULTURAL	**18,894,365**	**18,581,241**	**19,221,643**

City of St. John's Expenditure Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
FISCAL & TRANSFERS:			
DEBT CHARGES:			
8111 SHORT TERM DEBT	$872,500	923,009	240,000
8121 LONG TERM DEBT	$2,831,323	2,748,330	132,384
8131 DEBENTURE DEBT	$25,595,060	24,728,922	27,954,160
8191 OTHER DEBT CHARGES	$205,000	261,800	36,000
TOTAL FISCAL SERVICES	**29,503,883**	**28,662,061**	**28,362,544**
OTHER TRANSFERS:			
8211 PROV. FOR ALLOWANCES	$1,550,000	1,557,497	1,050,000
8213 SNOW AND ICE RESERVE	$0	0	
8990 CAPITAL EXPENDITURES	$14,718,058	14,718,058	15,499,101
9002 CONTINGENCIES	$0	3,500,000	
9300 HARBOUR CLEAN-UP RESERVE	$0	0	
9300 WATER TREATMENT RESERVE	$0	0	
TOTAL OTHER TRANSFERS	**16,268,058**	**19,775,555**	**16,549,101**
TOTAL EXPENDITURE:	**221,809,582**	**221,622,085**	**233,483,455**
TRANSFERS TO OTHER DEPARTMENTS:			
PAYROLL COSTS:			
1295 PAYROLL COSTS	$2,418,000	2,274,406	2,118,000
MECHANICAL:			
3111 ADMINISTRATION	$1,209,335	1,194,636	1,279,067
3121 MTCE.HEAVY EQUIPMENT	$7,769,525	7,763,954	8,219,914
3123 ROBIN HOOD BAY EQUIP.	$458,216	491,461	577,141
3129 RECOVERY FLEET RENTAL	-$9,437,076	-9,433,404	-10,000,000
TOTAL MECHANICAL	**0**	**16,647**	**76,122**
TOTAL EXPENDITURE:	**$224,227,582**	**$223,913,138**	**$235,677,577**

APPENDIX 2: REVENUE BY SOURCE 2011-2012

City of St. John's
2012 Revenue Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
TAXATION:			
1112 RESIDENTIAL REALTY	$69,315,000	70,108,621	70,615,000
1121 BUSINESS REALTY	$29,525,000	29,493,603	29,625,000
1400 BUSINESS OCCUPANCY	$25,350,000	25,036,127	25,550,000
4410 WATER SALES & TAX	$40,514,213	41,977,507	43,860,088
1940 ACCOMMODATION TAX	$1,428,800	2,162,488	2,100,000
1991 UTILITY TAX	$6,100,000	6,246,797	6,100,000
	172,233,013	**175,025,143**	**177,850,088**
GRANTS IN LIEU OF TAXES:			
2100 GOVT. OF CANADA	$1,125,000	1,540,765	1,500,000
2200 GOVT.CANADA AGENCIES	$550,000	538,788	535,000
2300 WATER TAX GRANT	$2,000,000	2,016,671	2,100,000
2400 GOVT.NFLD.AGENCIES	$60,000	60,000	60,000
	3,735,000	**4,156,224**	**4,195,000**
SALES GOODS & SERVICES:			
4100 GENERAL GOVERNMENT	$1,299,220	1,487,346	1,772,783
4300 TRANSPORTATION	$1,881,932	1,896,216	2,278,804
4400 ENVIRONMENTAL HEALTH	$364,400	549,658	614,700
4435 TIPPING FEES	$9,606,875	10,658,277	10,269,340
4700 RECREATION	$1,412,271	1,377,560	1,593,068
4900 OTHER GENERAL	$1,219,877	1,115,451	538,498
	15,784,575	**17,084,508**	**17,067,193**
OTHER REVENUE OWN SOURCES:			
5120 BUSINESS LICENCES	$114,300	157,654	114,700
5170 CONSTRUCTION PERMITS	$2,774,720	2,750,867	3,443,720
5200 FINES	$2,170,000	2,011,353	1,750,000
5300 RENTS & CONCESSIONS	$18,750	192,533	14,750
5500 INVESTMENT INTEREST	$4,800	131,340	6,000
5600 INTEREST TAX ARREARS	$1,675,000	1,589,989	1,470,000
	6,757,570	**6,833,736**	**6,799,170**

City of St. John's
2012 Revenue Projection

	Approved Budget 2011	Projected for Fiscal 2011	Projected Budget 2012
GRANTS OTHER GOVERNMENTS:			
7530 RECOVERY DEBT CHARGES	$17,382,766	15,553,052	17,495,669
7550 REAL PROGRAM GRANTS	$0	0	0
7555 NPH SUBSIDITY	$0	-6,826	0
7598 MUNICIPAL OPR. GRANT	$3,101,300	3,256,364	3,411,430
7682 RENTAL HOUSING	$55,505	55,505	0
7110 FEDERAL GAS TAX REBATE	$4,182,853	4,182,852	4,182,853
7100 OTHER GRANTS	$295,000	302,772	480,251
7107 CMHC MORTGAGE SUBSIDIT	$0	56,592	0
	25,017,424	**23,400,311**	**25,570,203**
OTHER TRANSFERS:			
9201 ASSESSMENTS	$700,000	807,370	4,195,923
	700,000	**807,370**	**4,195,923**
TOTAL REVENUE	**$224,227,582**	**$227,307,292**	**$235,677,577**

Appendix 3: City Net Consolidated Debt

Bonds Outstanding	Interest Rate	Maturity Date	Funds in reserve to retire debt
11,000,000	10.875%	2012/06/04	11,744,694
6,000,000	9.160%	2013/09/16	5,988,045
5,000,000	9.400%	2015/10/06	3,993,075
7,000,000	6.840%	2020/12/18	3,768,865
15,000,000	7.380%	2021/06/01	6,720,636
16,500,000	7.250%	2022/04/26	5,254,287
11,000,000	6.680%	2023/02/13	4,392,764
25,000,000	6.162%	2024/02/26	7,600,975
18,000,000	5.534%	2025/06/02	4,703,499
25,000,000	5.300%	2026/03/16	5,100,367
35,000,000	4.975%	2026/12/07	11,550,869
15,000,000	5.400%	2027/12/21	1,457,667
27,000,000	5.539%	2029/11/27	1,378,330
70,000,000	4.622%	2031/08/11	
$286,500,000			$73,654,072

Net Debenture Debt Dec. 31, 2011		$212,845,928
Add Other Long Term Debt		$27,780,647
City Net Consolidated Debt Dec. 31, 2011		**$240,626,575**
2012 Cash Debt Servicing Charges:	Gross	$27,565,344
Less Provincial and Municipal Recoveries		$(6,518,550)
2012 Net Debt Cash Servicing Requirement		**$21,046,794**

APPENDIX 4: SCHEDULE OF TAX RATES AND FEES

City of St. John's
2012 Budget
2012 Schedule of Tax Rates

	2011	2012
Residential Properties	10.60 mils	10.60 mils
Commercial Properties	16.80 mils	16.80 mils
Business Tax:		
Banks/Trust Co./Credit Union	67.39 mils	67.39 mils
Loan Co. /Investment Firm/Life Insurance	48.13 mils	48.13 mils
Oil Tank Farms	34.69 mils	34.69 mils
Breweries	24.07 mils	24.07 mils
Commercial Schools	24.07 mils	24.07 mils
Hotel/Motel	19.26 mils	19.26 mils
Bed and Breakfasts	11.54 mils	11.54 mils
Other Business Operations	17.33 mils	17.33 mils
Agriculture Lands	2.65 mils	2.65 mils
Registered Charities	0.00 mils	0.00 mils
Container Terminals/Oil Industry Offshore Supply Base	11.24 mils	11.24 mils
Minimum Business Tax	$267.50	$267.50
Water Tax	$580.00	$615.00
Applies to Residential Units and Commercial Properties not taxed by water meter.		
Water by Meter Rates:		
Usage Rates:		
Per 1,000 Gallons	$3.80	$4.03
Per Cubic Metre	$0.83	$0.88
Monthly Base Charge:		
5/8" Meter	$34.54	$36.62
3/4" Meter	$51.89	$55.02
1.0" Meter	$86.39	$91.60
1.5" Meter	$172.67	$183.09
2.0" Meter	$275.44	$292.06
3.0" Meter	$551.43	$584.71
4.0" Meter	$881.46	$934.65
6.0" Meter	$1,722.93	$1,826.90
8.0" Meter	$2,755.90	$2,922.20
10.0" Meter	$3,960.31	$4,199.29
Other Rates/levies:		
Companies defined under Utility Tax Act 2.5% of Gross Revenue		
Business Operating In Downtown St. John's Business Improvement Area: Additional 10% of Business Tax Levy to a Maximum of $4,000.00 annually for each location.		